

# House File 2029 - Introduced

HOUSE FILE 2029

BY KOESTER

## A BILL FOR

1 An Act authorizing the military service property tax exemption  
2 and credit to individuals on active duty, and including  
3 effective date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 426A.11, Code 2018, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 2A. The property, not to exceed one  
4 thousand eight hundred fifty-two dollars in taxable value, of a  
5 person on federal active duty or state active duty as defined  
6 in section 29A.1. The exemption shall be allowed for each year  
7 during which any portion of the person's active duty service  
8 occurs.

9 Sec. 2. Section 426A.12, subsection 1, unnumbered paragraph  
10 1, Code 2018, is amended to read as follows:

11 In case any person in the foregoing classifications,  
12 excluding those persons qualifying under section 426A.11,  
13 subsection 2A, does not claim the exemption from taxation, it  
14 shall be allowed in the name of the person to the same extent on  
15 the property of any one of the following persons in the order  
16 named:

17 Sec. 3. Section 426A.12, subsection 2, Code 2018, is amended  
18 to read as follows:

19 2. No more than one tax exemption shall be allowed under  
20 this section or [section 426A.11](#) in the name of a veteran,  
21 as defined in [this chapter](#) or in [section 35.1, subsection 2,](#)  
22 paragraph "a" or "b", or in the name of a person qualifying for  
23 the tax exemption under section 426A.11, subsection 2A.

24 Sec. 4. Section 426A.13, Code 2018, is amended to read as  
25 follows:

26 **426A.13 Claim for military tax exemption — discharge**  
27 **recorded.**

28 1. A person named in [section 426A.11](#), who is a resident of  
29 and domiciled in the state of Iowa, shall receive a reduction  
30 equal to the exemption, to be made from any property owned  
31 by the person or owned by a family farm corporation of which  
32 the person is a shareholder and occupant of the property and  
33 so designated by proceeding as provided in the section. To  
34 be eligible to receive the exemption, the person claiming it  
35 shall have recorded in the office of the county recorder of

1 the county in which is located the property designated for the  
2 exemption, evidence of property ownership by that person or the  
3 family farm corporation of which the person is a shareholder  
4 and the military certificate of satisfactory service, order  
5 transferring to inactive status, reserve, retirement, order of  
6 separation from service, honorable discharge or a copy of any  
7 of these documents of the person claiming or through whom is  
8 claimed the exemption. In the case of a person claiming the  
9 exemption as a veteran described in section 35.1, subsection  
10 2, paragraph "b", subparagraph (6) or (7), the person shall  
11 file the statement required by [section 35.2](#). In the case of a  
12 person claiming the exemption under section 426A.11, subsection  
13 2A, the person shall file a copy of the person's active duty  
14 orders establishing the person's qualifications.

15 2. The person shall file with the appropriate assessor on  
16 forms obtained from the assessor the claim for exemption for  
17 the year for which the person is first claiming the exemption.  
18 The claim shall be filed not later than July 1 of the year  
19 for which the person is claiming the exemption. The claim  
20 shall set out the fact that the person is a resident of and  
21 domiciled in the state of Iowa, and a person within the terms  
22 of [section 426A.11](#), and shall give the volume and page on which  
23 the certificate of satisfactory service, order of separation,  
24 retirement, furlough to reserve, inactive status, or honorable  
25 discharge or certified copy thereof is recorded in the office  
26 of the county recorder, and may include the designation of the  
27 property from which the exemption is to be made, and shall  
28 further state that the claimant is the equitable or legal owner  
29 of the property designated or if the property is owned by a  
30 family farm corporation, that the person is a shareholder of  
31 that corporation and that the person occupies the property.  
32 In the case of a person claiming the exemption as a veteran  
33 described in [section 35.1, subsection 2](#), paragraph "b",  
34 subparagraph (6) or (7), the person shall file the statement  
35 required by [section 35.2](#). In the case of a person claiming

1 the exemption under section 426A.11, subsection 2A, the  
2 person shall file a copy of the person's active duty orders  
3 establishing the person's qualifications.

4     3. Upon the filing and allowance of the claim, the claim  
5 shall be allowed to that person for successive years without  
6 further filing, subject to the period of active duty if  
7 claimed under section 426A.11, subsection 2A. Provided,  
8 that notwithstanding the filing or having on file a claim  
9 for exemption, the person or person's spouse is the legal or  
10 equitable owner of the property on July 1 of the year for which  
11 the claim is allowed. When the property is sold or transferred  
12 or the person wishes to designate different property for the  
13 exemption, a person who wishes to receive the exemption shall  
14 refile for the exemption. A person who sells or transfers  
15 property which is designated for the exemption or the personal  
16 representative of a deceased person who owned such property  
17 shall provide written notice to the assessor that the property  
18 is no longer legally or equitably owned by the former claimant.

19     4. In case the owner of the property is in active duty  
20 service in any of the armed forces of the United States or of  
21 this state, including the nurses corps of the state or of the  
22 United States, or is sixty-five years of age or older, or is  
23 disabled, the claim may be filed by any member of the owner's  
24 family, by the owner's guardian or conservator, or by any other  
25 person who may represent the owner under power of attorney.  
26 In all cases where the owner of the property is married, the  
27 spouse may file the claim for exemption. A person may not  
28 claim an exemption in more than one county of the state, and  
29 if a designation is not made the exemption shall apply to the  
30 homestead, if any.

31     Sec. 5. EMERGENCY RULES. The department of revenue may  
32 adopt emergency rules under section 17A.4, subsection 3, and  
33 section 17A.5, subsection 2, paragraph "b", to implement  
34 the provisions of this Act and the rules shall be effective  
35 immediately upon filing unless a later date is specified in the

1 rules. Any rules adopted in accordance with this section shall  
2 also be published as a notice of intended action as provided  
3 in section 17A.4.

4 Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate  
5 importance, takes effect upon enactment.

6 Sec. 7. APPLICABILITY. This Act applies to property taxes  
7 due and payable in fiscal years beginning on or after July 1,  
8 2019.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with  
11 the explanation's substance by the members of the general assembly.

12 Current Code chapter 426A authorizes a military service  
13 property tax exemption and credit for qualifying veterans  
14 who are residents of and domiciled in this state or, under  
15 specified circumstances, members of such a veteran's family.  
16 The exemption amount for World War I veterans is \$2,778 in  
17 taxable value. The exemption for all other qualifying veterans  
18 is \$1,852 in taxable value.

19 This bill provides a similar property tax exemption for  
20 persons who are on active federal duty or active state duty on  
21 \$1,852 in taxable value. The bill authorizes the exemption  
22 for each year during which any portion of the person's active  
23 duty service occurs. The bill also requires the applicant to  
24 file a copy of the person's active duty orders as part of the  
25 application for the exemption.

26 The bill authorizes the department of revenue to adopt  
27 emergency rules under Code chapter 17A to implement the  
28 provisions of the bill.

29 Code section 25B.7 generally provides that if a state  
30 appropriation made to fund a property tax credit or exemption  
31 is not sufficient to fully fund the credit or exemption,  
32 the political subdivision shall be required to extend to  
33 the taxpayer only that portion of the credit or exemption  
34 estimated by the department of revenue to be funded by the  
35 state appropriation. For purposes of the military service

1 property tax exemption and credit, however, the requirement  
2 for fully funding and the consequence of not fully funding the  
3 credit applies to the military service property tax exemption  
4 and credit up to \$6.92 per \$1,000 of assessed value of the  
5 exempt property.

6 The bill takes effect upon enactment and applies to property  
7 taxes due and payable in fiscal years beginning on or after  
8 July 1, 2019.